

PREVAILED

Roll Call No. \_\_\_\_\_

FAILED

Ayes \_\_\_\_\_

WITHDRAWN

Noes \_\_\_\_\_

RULED OUT OF ORDER

## HOUSE MOTION \_\_\_\_\_

MR. SPEAKER:

I move that House Bill 1374 be amended to read as follows:

- 1 Page 15, between lines 24 and 25, begin a new paragraph and insert:
- 2 "SECTION 14. IC 6-3.1-20 IS ADDED TO THE INDIANA CODE
- 3 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
- 4 JANUARY 1, 2000 (RETROACTIVE)]:
- 5 **Chapter 20. Credit for Property Taxes Paid on Inventory**
- 6 **Sec. 1. As used in this chapter, "assessed value" means the**
- 7 **assessed value of inventory determined under IC 6-1.1-3.**
- 8 **Sec. 2. As used in this chapter, "inventory" has the meaning set**
- 9 **forth in IC 6-1.1-3-11.**
- 10 **Sec. 3. As used in this chapter, "pass through entity" means:**
- 11 **(1) a corporation that is exempt from the adjusted gross**
- 12 **income tax under IC 6-3-2-2.8(2); or**
- 13 **(2) a partnership.**
- 14 **Sec. 4. As used in this chapter, "state tax liability" means a**
- 15 **taxpayer's total tax liability that is incurred under:**
- 16 **(1) IC 6-2.1 (gross income tax);**
- 17 **(2) IC 6-3-1 through IC 6-3-7 (adjusted gross income tax);**
- 18 **(3) IC 6-3-8 (supplemental net income tax);**
- 19 **(4) IC 6-5.5 (financial institutions tax); and**
- 20 **(5) IC 27-1-18-2 (insurance premiums tax);**
- 21 **as computed after the application of the credits that under**
- 22 **IC 6-3.1-1-2 are to be applied before the credit provided by this**
- 23 **chapter, including the credit under IC 6-1.1-20.5.**
- 24 **Sec. 5. As used in this chapter, "taxpayer" means an individual**

or entity that has state tax liability.

Sec. 6. (a) A taxpayer is entitled to a credit against the taxpayer's state tax liability for a taxable year for the ad valorem property taxes paid by the taxpayer in the taxable year on inventory.

(b) The amount of the credit is equal to the product of:

(1) the appropriate percentage specified in subsection (c); multiplied by

(2) the amount of property taxes paid on inventory by the taxpayer during the taxable year.

(c) The percentage described in subsection (b)(1) is determined by the calendar year in which the property taxes on inventory are paid and is set forth in the following table:

CALENDAR YEAR IN WHICH INVENTORY TAXES ARE PAID	PERCENTAGE OF INVENTORY TAXES ALLOWED AS A CREDIT
2000 .....	10%
2001 .....	20%
2002 .....	30%
2003 .....	40%
2004 .....	50%
2005 .....	60%
2006 .....	70%
2007 .....	80%
2008 .....	90%
2009 and thereafter .....	100%

(d) If a taxpayer pays property taxes in two (2) different calendar years during the taxpayer's same taxable year, the taxpayer shall apply the appropriate percentage specified for each calendar year to the property taxes paid in each calendar year to compute the credit for the taxable year.

Sec. 7. (a) If the amount determined under section 6(b) of this chapter for a taxpayer in a taxable year exceeds the taxpayer's state tax liability for that taxable year, the taxpayer may carry the excess over to the following taxable years. The amount of the credit carryover from a taxable year shall be reduced to the extent that the carryover is used by the taxpayer to obtain a credit under this chapter for any subsequent taxable year. A taxpayer is not entitled to a carryback.

(b) A taxpayer is not entitled to a refund of any unused credit.

Sec. 8. If a pass through entity does not have state income tax liability against which the tax credit may be applied, a shareholder or partner of the pass through entity is entitled to a tax credit equal to:

(1) the tax credit determined for the pass through entity for the taxable year; multiplied by

(2) the percentage of the pass through entity's distributive

- 1           income to which the shareholder or partner is entitled.
- 2           **Sec. 9. To receive the credit provided by this chapter, a taxpayer**
- 3           **must claim the credit on the taxpayer's state tax return or returns**
- 4           **in the manner prescribed by the department. The taxpayer shall**
- 5           **submit to the department proof of payment of an ad valorem**
- 6           **property tax and all information that the department determines**
- 7           **is necessary for the calculation of the credit provided by this**
- 8           **chapter.".**
- 9           Renumber all SECTIONS consecutively.  
            (Reference is to HB 1374 as printed January 27, 2000.)

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Representative Turner